

TOP SECRET

25X1

NSC REVIEW  
COMPLETED,  
8/19/2003

# NATIONAL SECURITY COUNCIL

## STATUS OF PROJECTS

as of

August 20, 1951

TOP SECRET

**WARNING**

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE LAWS, TITLE 18, U. S. C., SECTION 793 AND 794, AS AMENDED. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW.

NATIONAL SECURITY COUNCIL  
STATUS OF PROJECTS

- - - - -

1. COMPLETED PROJECTS  
(August 13, 1951 - August 20, 1951)

(NONE)

TOP SECRET

## 2. PROJECTS UNDER CONSIDERATION BY THE NSC

### A. ITEMS SCHEDULED ON AGENDA FOR THE 100TH NSC MEETING ON WEDNESDAY, AUGUST 22, 1951: (Agenda dated August 20, 1951)

#### THE SITUATION IN THE FAR EAST

For discussion of the subject in the light of an oral briefing by the Chairman, Joint Chiefs of Staff, on the military situation in Korea. Scheduled as item 1.

#### THE KAESONG NEGOTIATIONS

For discussion of the subject in the light of an oral report by the Chairman, Joint Chiefs of Staff, on the current status and prospects of the negotiations. Scheduled as item 2.

#### PROBABLE SOVIET ACTIONS AT THE SAN FRANCISCO CONFERENCE ON THE JAPANESE PEACE TREATY

For discussion of the subject in the light of an oral report by the Director of Central Intelligence. Scheduled as item 3.

#### THE SITUATION IN IRAN

(Progress Report, dated August 6, 1951, by the Department of State on NSC 107/2)

For discussion of the negotiations at Tehran in the light of the reference Progress Report by the Department of State on the subject, and a supplemental oral report by the Secretary of State. Scheduled as item 4.

#### RELATIONS BETWEEN INDIA AND PAKISTAN

For discussion of the subject in the light of an oral report by the Secretary of State. Scheduled as item 5.

#### NSC 26/2

(Progress Report, dated July 26, 1951, by the Department of State on NSC 26/2)

The reference Progress Report by the Department of State on the subject was circulated for the information of the Council and is scheduled to be noted as item 6.

Approved For Release 2003/09/29 : CIA-RDP80R01731R003700030008-5

TOP SECRET

PROJECTS UNDER CONSIDERATION BY THE NSC (Cont'd)

SECURITY OF STRATEGICALLY IMPORTANT INDUSTRIAL OPERATIONS IN  
FOREIGN COUNTRIES

(Progress Report, dated July 24, 1951, by the Department of State on NSC 29)

The reference Progress Report by the Department of State on the subject was circulated for the information of the Council, and is scheduled to be noted as item 7.

THE POSITION OF THE UNITED STATES WITH RESPECT TO THE  
PHILIPPINES

(Progress Report, dated August 6, 1951, by the Department of State on NSC 84/2)

The reference Progress Report by the Department of State on the subject was circulated for the information of the Council and is scheduled to be noted as item 8.

TOP SECRET

PROJECTS UNDER CONSIDERATION BY THE NSC (Cont'd)

B. ITEMS UNDER CONSIDERATION BY MEMORANDUM ACTION

A PROJECT TO PROVIDE A MORE ADEQUATE BASIS FOR PLANNING FOR THE SECURITY OF THE UNITED STATES

(Memos for NSC from Executive Secretary, same subject, dated June 5, July 17 and 30 and August 7, 1951; NSC Action No. 519)

Memorandum by the Chairman, Interdepartmental Committee on Internal Security, and its attached report by the ICIS on the subject, were transmitted by the reference memo of June 5 for Council consideration of the "Recommendations" contained in Part VII thereof and of the proposed National Security Council Directive. Prior to Council action at the direction of the President, the views of the Director of Central Intelligence were requested with respect to the report and transmitted by the reference memo of July 17 for consideration by the Council concurrently with the ICIS report. JCS views submitted by the reference memo of July 30.

The Council at its meeting on August 1, 1951 agreed to the four steps proposed by JCS in paragraph 3 of reference memo of July 30 subject to the assignment of paragraph 3-b to the Interdepartmental Intelligence Conference. The Council also agreed that the resulting reports should be integrated into a single report to it under the coordination of the Director of Central Intelligence with the assistance of representatives of the appropriate departments and agencies. The Director of Central Intelligence undertook to prepare a directive along these lines for consideration by the Council.

Draft directive on the subject prepared by the Director of Central Intelligence submitted by reference memo of August 7, 1951, for consideration by the Council, the Secretary of the Treasury, the Attorney General, and the Director of Defense Mobilization. Approved by Treasury and ODM, August 9; by NSRB, August 10; by Defense, August 14; and by State, August 17. Awaiting action by others concerned. ✓

TOP SECRET

PROJECTS UNDER CONSIDERATION BY THE NSC (Cont'd)

NSC DETERMINATIONS UNDER SECTION 1302, PUBLIC LAW 45 (THIRD SUPPLEMENTAL APPROPRIATION ACT, 1951) (Iraq, Lebanon, and Syria)

(Memo for NSC from Executive Secretary, same subject, dated August 8, 1951)

Draft report on trade between the Soviet Bloc and Iraq, Lebanon and Syria, prepared by the Special Committee on East-West Trade in accordance with "Instructions" contained in NSC Determination No. 1, was submitted by the reference memorandum for consideration by the Council, the Secretaries of the Treasury and Commerce, the Director of Defense Mobilization, the Economic Cooperation Administrator and the Chairman, Export-Import Bank. Approved by Commerce and ODM, August 13; by Treasury and Export-Import Bank, August 14; by ECA, August 16; and by State, August 17. Awaiting action by others concerned. (See also related projects in Section 3-C).

NSC DETERMINATIONS UNDER SECTION 1302, PUBLIC LAW 45 (THIRD SUPPLEMENTAL APPROPRIATION ACT, 1951) (Burma)

(Memo for NSC from Executive Secretary, same subject, dated August 8, 1951)

Draft report on trade between Burma and the Soviet Bloc, prepared by the Special Committee on East-West Trade in accordance with "Instructions" contained in NSC Determination No. 1, was submitted by the reference memorandum for consideration by the Council, the Secretaries of the Treasury and Commerce, the Director of Defense Mobilization, the Economic Cooperation Administrator and the Chairman, Export-Import Bank. Approved by Commerce and ODM, August 13; by Treasury and Export-Import Bank, August 14; by ECA, August 16; and by State, August 17. Awaiting action by others concerned. (See also related projects in Section 3-C).

NSC DETERMINATIONS UNDER SECTION 1302, PUBLIC LAW 45 (THIRD SUPPLEMENTAL APPROPRIATION ACT, 1951) (Afghanistan)

(Memo for NSC from Executive Secretary, same subject, dated August 8, 1951)

Draft report on trade between Afghanistan and the Soviet Bloc, prepared by the Special Committee on East-West Trade in accordance with "Instructions" contained in NSC Determination No. 1, was submitted by the reference memorandum for consideration by the Council, the Secretaries of the Treasury

TOP SECRET

PROJECTS UNDER CONSIDERATION BY THE NSC (Cont'd)

NSC DETERMINATIONS UNDER SECTION 1302, PUBLIC LAW 45 (THIRD SUPPLEMENTAL APPROPRIATION ACT, 1951) (Afghanistan) (Cont'd)

and Commerce, the Director of Defense Mobilization, the Economic Cooperation Administrator and the Chairman, Export-Import Bank. Approved by Commerce and ODM, August 13; by Treasury and Export-Import Bank, August 14; by ECA, August 16; and by State August 17. Awaiting action by others concerned. (See also related projects in Section 3-C).

NSC DETERMINATIONS UNDER SECTION 1302, PUBLIC LAW 45 (THIRD SUPPLEMENTAL APPROPRIATION ACT, 1951) (Ireland)

(Memo for NSC from Executive Secretary, same subject, dated August 17, 1951)

Draft report on trade between Ireland and the Soviet Bloc, prepared by the Special Committee on East-West Trade in accordance with "Instructions" contained in NSC Determination No. 1, was submitted by the reference memorandum for consideration by the Council, the Secretaries of the Treasury and Commerce, the Director of Defense Mobilization, the Economic Cooperation Administrator and the Chairman, Export-Import Bank. Awaiting action by the Council and others concerned. (See also related projects in Section 3-C).

NSC DETERMINATIONS UNDER SECTION 1302, PUBLIC LAW 45 (THIRD SUPPLEMENTAL APPROPRIATION ACT, 1951) (Iceland)

(Memo for NSC from Executive Secretary, same subject, dated August 17, 1951)

Draft report on trade between Iceland and the Soviet Bloc, prepared by the Special Committee on East-West Trade in accordance with "Instructions" contained in NSC Determination No. 1, was submitted by the reference memorandum for consideration by the Council, the Secretaries of the Treasury and Commerce, the Director of Defense Mobilization, the Economic Cooperation Administrator and the Chairman, Export-Import Bank. Awaiting action by the Council and others concerned. (See also related projects in Section 3-C).



TOP SECRET

PROJECTS UNDER CONSIDERATION BY THE NSC (Cont'd)

NSC DETERMINATIONS UNDER SECTION 1302, PUBLIC LAW 45 (THIRD SUPPLEMENTAL APPROPRIATION ACT, 1951) (CERTIFICATIONS BY COUNTRIES RECEIVING UNITED STATES AID)

(Memo for NSC from Executive Secretary, same subject, dated August 17, 1951)

Draft report concerning certifications received under Section 1302, Public Law 45 (Third Supplemental Appropriation Act, 1951), prepared by the Special Committee on East-West Trade in accordance with "Instructions" contained in NSC Determination No. 1, was submitted by the reference memorandum for consideration by the Council, the Secretaries of the Treasury and Commerce, the Director of Defense Mobilization, the Economic Cooperation Administrator and the Chairman, Export-Import Bank. Awaiting action by the Council and others concerned. (See also related projects in Section 3-C).

NSC DETERMINATIONS UNDER SECTION 1302, PUBLIC LAW 45 (THIRD SUPPLEMENTAL APPROPRIATION ACT, 1951) (Certain Latin American Republics)

(Memo for NSC from Acting Executive Secretary, same subject, dated June 27, 1951)

Draft report on trade between certain Latin American republics and the Soviet Bloc, prepared by the Special Committee on East-West Trade in accordance with the "Instructions" contained in NSC Determination No. 1, submitted by the reference memo for consideration by the Council, the Secretaries of the Treasury and Commerce, the Director of Defense Mobilization, the Economic Cooperation Administrator, and the Chairman, Export-Import Bank. Approved by Treasury, June 29; by Commerce, July 2; by ECA, July 6; by Export-Import Bank, July 9; by Defense, July 10; by ODM, July 11. The Secretary of State on July 18 recommended that further action be delayed for thirty days pending the results of efforts to obtain certificates from the countries involved. At its meeting on July 24 the Special Committee on East-West Trade recommended that the Council approve this request. Awaiting further action by the Secretary of State. (See same subject, Section 3-C).

TOP SECRET

TOP SECRET

PROJECTS UNDER CONSIDERATION BY THE NSC (Cont'd)

C. ITEMS AWAITING SUBSEQUENT NSC CONSIDERATION

CONGRESSIONAL PUBLICATION OF INFORMATION OF ADVANTAGE TO FOREIGN GOVERNMENTS

(Memos for NSC from Executive Secretary, same subject, dated May 16, and June 15, 1951; NSC Action No. 478)

Memorandum on the subject by the NSC Representative on Internal Security, transmitted by the reference memo of May 16, was discussed at the 92nd NSC Meeting. The Council directed the Senior NSC Staff, by the reference action, with the assistance of the Interdepartmental Committee on Internal Security (ICIS), to prepare recommendations on the subject for Council consideration in the light of the discussion.

Recommendations by the Senior NSC Staff, prepared with the assistance of representatives of the White House Staff and ICIS, were submitted by the reference memo of June 15 for consideration by the Council, the Secretary of the Treasury, the Attorney General and the Director of Defense Mobilization. On July 5 the Senior NSC Staff agreed that Council consideration of this memorandum should be deferred. Awaiting further consideration by the Senior NSC Staff.

UNITED STATES OBJECTIVES, POLICIES AND COURSES OF ACTION IN ASIA

(NSC Action No. 420-d)

Upon consideration of NSC 101/1, on "U.S. Action to Counter Chinese Communist Aggression", the Council requested the Department of State to prepare a study of the effect upon China and other Eastern countries of continued U. S. support of Chiang Kai-shek. (NSC Action No. 420-d.) On July 10, the Senior NSC Staff agreed to recommend to the Council for its consideration cancellation of the study on the effect upon China and other Eastern countries of continued U. S. support of Chiang Kai-shek. Awaiting Council action on the above recommendation by the Senior NSC Staff.

TOP SECRET

### 3. CURRENT NSC STAFF PROJECTS

#### A. SENIOR NSC STAFF

PROPOSED TRANSFER OF THE POINT IV PROGRAM FROM THE DEPARTMENT OF STATE TO THE ECONOMIC COOPERATION ADMINISTRATION  
(NSC 110; Memos for Senior NSC Staff from Executive Secretary, same subject, dated June 18 and August 9, 1951)

Memorandum on the subject from the Bureau of the Budget (NSC 110) was referred by the President to the NSC with the request that the Senior NSC Staff prepare a recommendation on the subject for Council consideration as advice to the President. At the direction of the President, the Secretaries of the Interior, Agriculture and Commerce, the Federal Security Administrator and the Economic Cooperation Administrator will participate in this Council project and have been requested to designate representatives to join with the Senior NSC Staff for this purpose. The President also expressed the desire that the views of the Rockefeller Committee be obtained in connection with the preparation of the above report. The following officials have been designated: Interior, Joseph C. McCaskill; Agriculture, Stanley Andrews; Commerce, R. C. Miller, FSA, Mrs. Gertrude Gates; and ECA, Alvin J. Roseman.

By the reference memo dated June 18 background material on current State and ECA programs of the Point IV type was circulated for the information of the Senior NSC Staff, augmented as indicated above, together with a copy of the Rockefeller Committee report, dated March, 1951.

On June 28, the Senior NSC Staff together with representatives from Interior, Agriculture, Commerce, FSA, and ECA, discussed the reference reports and referred them to the Staff Assistants, augmented by representatives of the above-mentioned agencies, to prepare a draft report to the Council for Senior Staff consideration.

Draft report dated July 18, revised by Staff Assistants and representatives of the agencies indicated above, circulated to the Senior Staff by the reference memo dated August 9. To be scheduled for consideration by the Senior NSC Staff, augmented by representatives from Interior, Agriculture, Commerce, FSA, and ECA, at an early meeting.

THE EASTERN MEDITERRANEAN AND MIDDLE EAST      /PRIORITY PROJECT/  
(Memo for Senior NSC Staff from Executive Secretary, same subject, dated December 12, 1950; NIE-14 and 26; Memo for Senior NSC Staff from Executive Secretary, subject: "World-Wide Demand and Supply of Petroleum in Event of a Major War," dated August 3, 1951)

CURRENT NSC STAFF PROJECTS (Cont'd)

THE EASTERN MEDITERRANEAN AND MIDDLE EAST (Cont'd)

Memorandum by the Senior State Member on the subject transmitted by the reference memo of December 12 and considered by the Senior Staff on December 29, when it was agreed that an initial draft report should be prepared by State and that CIA should furnish an intelligence estimate of local attitudes and conditions which affect protection of our interests and the realization of our objectives. On February 23 the Senior NSC Staff agreed that this project should be completed as a matter of priority. CIA estimate circulated as NIE-26.

On July 10, the Senior Staff agreed that this report should proceed without awaiting completion of the related project on a national petroleum program (NSC 97, see below), but that the report should not be submitted for NSC consideration until the information being developed in connection with the petroleum report could be taken into account. On August 16 the Senior Staff discussed the report prepared by the Petroleum Administrator for Defense and transmitted by the reference memo of August 3, and agreed that this report should be studied further by the Senior Staff before finally completing a report on the Eastern Mediterranean and the Middle East, a draft of which is in preparation by the Department of State. Awaiting report from State.

CONDITIONS FOR A PEACEFUL SETTLEMENT  
WITH THE USSR

/PRIORITY PROJECT/

(Records of Senior NSC Staff Meeting  
February 23 and May 24; NSC 79; NSC 112;  
NSC Action No. 511; Memo for NSC from Executive Secretary,  
subject: "United States and Allied Objectives in the Event  
of Global War," dated September 6, 1950)

On February 23 the Senior NSC Staff agreed that the NSC 79 project on United States and allied war objectives should be completed in two sections and that the section on the above subject, including a plan for reduction and regulation of armaments and armed forces, should be completed as a matter of priority. On May 24 the Senior Staff agreed that the completion of this project would provide an important background for obtaining popular support for U. S. national security policies.

Report by the Secretaries of State and Defense in connection with the plan referred to above, adopted by the Council (NSC Action No. 511) and approved by the President as NSC 112. On July 10, the Senior NSC Staff noted that NSC 112 was the first step toward completion of this project and that further work

CURRENT NSC STAFF PROJECTS (Cont'd)

CONDITIONS FOR A PEACEFUL SETTLEMENT WITH THE USSR (Cont'd)

would proceed in the light of Council action on NSC 112. Awaiting report by the State, Defense and JCS members. (See also related projects below.)

UNITED STATES AND ALLIED WAR OBJECTIVES IN THE EVENT OF GLOBAL WAR

(NSC 79; Memo for NSC from Executive Secretary, same subject, dated September 6, 1950)

JCS memo (NSC 79) circulated for Council information and referred to the Staff for use in the preparation of a report. The Senior Staff designated an ad hoc group to draft a report to include both a statement of war objectives in the event of global war, and such related questions as a statement of the conditions that the U. S. would be willing to accept for a peaceful settlement with the USSR and its satellites. At the initial meeting of the ad hoc group under the chairmanship of the State member on October 6, the form and content of a response to the problems posed by NSC 79 were discussed and agreed upon.

On February 23 the Senior Staff agreed that this project should be divided as follows: (1) a statement of U. S. and allied war objectives in the event of a global war; and (2) a statement of the conditions the U. S. would be willing to accept for a peaceful settlement with the USSR, including a plan for the reduction and regulation of armaments and armed forces. Awaiting initial draft by the State Policy Planning Staff of the project listed under (1) above. (See also related projects above and below.)

PROPOSED NSC STUDY OF USE OF CIVILIAN MANPOWER OF NON-SOVIET NATIONS FOR PRODUCTION OF GOODS AND SERVICES

(Memo for Senior NSC Staff from Executive Secretary, subject: "Proposed NSC Study of Use of Foreign Manpower for Production," dated March 29, 1951; Memo for Senior NSC Staff from Executive Secretary, same subject, dated April 16, 1951)

Memos by the Acting Senior NSRB Member and by the Senior ODM Member transmitted by the reference memos of March 29 and April 16, respectively, were considered by the Senior Staff on April 17. It was agreed that ODM should undertake the preparation of a report on the subject for consideration by the NSC Staff along

CURRENT NSC STAFF PROJECTS (Cont'd)

PROPOSED NSC STUDY OF USE OF CIVILIAN MANPOWER OF NON-SOVIET  
NATIONS FOR PRODUCTION OF GOODS AND SERVICES (Cont'd)

the lines proposed by ODM in the report attached to the reference memo of April 19. The Staff further agreed to the inclusion of NSRB and Mr. Harriman's Office among the agencies to be consulted by ODM. Awaiting report from Senior ODM Member. (See related project in Section 3-B.)

UNITED STATES PROGRAMS FOR NATIONAL SECURITY

(NSC 114/1 and Annexes to NSC 114/1; NSC Actions Nos. 393, 487-a and 523; Memo for NSC from Executive Secretary, subject: "Review of the Current World Situation and Ability of the Force Being Maintained to Meet United States Commitments," dated April 26, 1951; Memo for NSC from Executive Secretary, subject: "United States Objectives and Programs for National Security," dated July 12, 1951; Record of Meeting of Steering Committee for Review of NSC 68, of August 9, 1951; Memo for Senior NSC Staff from Executive Secretary, same subject, dated August 15, 1951)

By NSC Action No. 487-a the Council directed the Senior NSC Staff to prepare, with the assistance of appropriate executive departments and agencies, the following reports for Council consideration: (1) A review of the status of the programs described in NSC 68/4, including an analysis of any difficulties which may be impeding or preventing their successful execution; and (2) Recommendations regarding any revisions or modifications of the policies and programs contained in NSC 68/4.

On June 14 the Senior NSC Staff designated a Steering Committee, composed of the Senior State, Defense and ODM Members, to coordinate the preparation of reports called for by NSC Action No. 487-a.

Supplementary to NSC Action No. 487-a, the President issued a directive to the NSC with respect to the review of the NSC 68 programs, which was transmitted by the reference memo of July 12 and referred to the Senior NSC Staff. The directive called for completion of the first report mentioned above by August 1, and the second by October 1.

The first report, on the "Status and Timing of Current U. S. Programs for National Security" was submitted to the President by the Council (NSC Action No. 523) as NSC 114/1 and Annexes to NSC 114/1 on August 8, 1951.

CURRENT NSC STAFF PROJECTS (Cont'd)

UNITED STATES PROGRAMS FOR NATIONAL SECURITY (Cont'd)

On August 9 the Steering Committee agreed on the procedure and tentative schedules for the preparation of the report due October 1 as set forth in the reference record of meeting. An outline for the report, prepared by the Steering Committee, was transmitted by the reference memo of August 15 for the information of the Senior Staff.

On August 16 the Senior NSC Staff, in connection with its discussion of a report on "World-Wide Demand and Supply of Petroleum in Event of a Major War," (see NSC 97 project below) agreed that need for expansion of petroleum production, refining and storage facilities which would require use of materials in short supply that are essential to other parts of the military and mobilization program, should be considered in the preparation of the October 1 report on "United States Programs for National Security." Awaiting initial draft by the Steering Committee of the report due October 1. (See also related projects above and below.)

UNITED STATES OBJECTIVES AND PROGRAMS FOR NATIONAL SECURITY  
(NSC 68 Series: Annex No. 8 of NSC 68/1, Long-term Political and Economic Framework)

Awaiting revision of Annex No. 8 of NSC 68/1 by State. On July 10, in connection with a review of the status of NSC Staff projects, the Senior NSC Staff agreed to review a draft report prepared in the Department of State on the subject with a view to discussing the future disposition of the project at a subsequent meeting. To be scheduled for discussion on the agenda of a later Senior Staff meeting. (See also related project above.)

NATIONAL PETROLEUM PROGRAM

(NSC 97; Memo for Senior NSC Staff from Executive Secretary, subject: "World-Wide Demand and Supply of Petroleum in Event of a Major War," dated August 3, 1951; Record of Meeting of Senior NSC Staff of August 16, 1951)

At the direction of the President, a letter from the Acting Secretary of Defense on the subject (NSC 97) was referred to the Director of Defense Mobilization to develop a national petroleum program leading to the complete supply of allied requirements, for consideration by the NSC. On July 10, the Senior NSC Staff agreed that information being developed in connection with this project which relates to the project

CURRENT NSC STAFF PROJECTS (Cont'd)

NATIONAL PETROLEUM PROGRAM (Cont'd)

(see above) on the Eastern Mediterranean and the Middle East should be available when the Council considers a report on the Eastern Mediterranean and the Middle East. At the request of the Senior ODM member of the NSC Staff, a report on the subject, "World-Wide Demand and Supply of Petroleum in Event of Major War," prepared by the Petroleum Administrator for Defense was transmitted to the Senior NSC Staff for information by reference memo. On August 16 the Senior Staff discussed this report and agreed upon a division of responsibility for studying and reporting on the several issues raised by the report as these issues related to projects under consideration by the Senior Staff. Assignment of responsibilities are set forth in the reference record of the meeting of the Senior Staff. Awaiting presentations and reports to the Senior Staff by those Departments and agencies concerned, and the development of a national petroleum program by the Director of Defense Mobilization.



CURRENT NSC STAFF PROJECTS (Cont'd)

B. NSC STAFF ASSISTANTS

THE SAFETY OF THE AMERICAN CIVILIAN POPULATION IN GERMANY AND JAPAN IN THE EVENT OF HOSTILITIES

(NSC 106; Memo for Senior NSC Staff from Executive Secretary, subject "Safety of United States Nationals in Sensitive Areas Abroad," dated July 26, 1951)

Letter by the Secretary of Defense to the President on the subject and the President's reply, referred by the President to the Council circulated as NSC 106 for Council information, and referred to the Senior Staff for preparation of recommendations on the subject for consideration by the Council, the Secretary of the Treasury, the Director of Defense Mobilization, and the Economic Cooperation Administrator at an early Council meeting.

On March 15 the Senior Staff discussed the reference report and referred it to the Staff Assistants for use in the preparation of a draft report for consideration by the Senior Staff. An initial draft dated July 10, was prepared by an ad hoc group of Staff Assistants with the advice and assistance of a special group from the Defense Department. An alternate Defense draft dated July 20, and changes thereto dated August 17, were circulated for consideration by the Staff Assistants. Views of the Joint Chiefs of Staff were transmitted by the reference memorandum of July 26 for the assistance of the NSC Staff in the preparation of a report. Views of the Department of State are to be circulated before further consideration of the subject by the Staff Assistants. Awaiting the views of State.

UNITED STATES POLICY WITH RESPECT TO BERLIN AND EASTERN GERMANY

(NSC 89; NSC 73/4, par. 42; Memos for NSC from Executive Secretary, subject: "Additional Airlift to Support the Far East," dated September 27 and November 29, 1950; NSC Action No. 368; Memo for Senior NSC Staff from Executive Secretary, same subject, dated October 31, 1950; Memo for Senior NSC Staff from Executive Secretary, subject: "Courses of Action in the Event East Germany Imposes a Blockade in Berlin", dated February 16, 1951; Memo for Senior NSC Staff from Executive Secretary, subject: "United States Policy With Regard to a Possible New Berlin Blockade," dated March 27, 1951; NIE-4)

CURRENT NSC STAFF PROJECTS (Cont'd)UNITED STATES POLICY WITH RESPECT TO BERLIN AND EASTERN GERMANY (Cont'd)

At its 69th Meeting, the Council noted the reference memo of September 27, and the fact that the situation presented therein would be taken into consideration in the studies on the Berlin blockade referred to in par. 42 of NSC 73/4. Memoranda on the subject by the Deputy Under Secretary of State and the Secretary of Defense were circulated for Council information as NSC 89, and referred to the NSC Staff for use in connection with this staff project. JCS study on airlift capabilities circulated to Senior Staff by the reference memo of October 31. Subsequent memo by the Deputy Secretary of Defense (reference memo of November 20) circulated for Council information and referred to the Staff for consideration in connection with this project. Views of the JCS on "Courses of Action in the Event East Germany Imposes a Blockade in Berlin" circulated by the reference memo of February 16 to the Senior Staff for consideration in connection with this project upon the recommendation of the Secretary of Defense. NIE-4, issued by CIA, relates to the above subject.

On February 23 the Senior Staff noted that the JCS views would be taken into account in the early completion of a draft report on "U. S. Policy With Respect to Berlin and Eastern Germany," now under preparation in the Department of State in collaboration with the Department of Defense. Report by State circulated by reference memo dated March 27, considered by the Senior Staff on April 3 and referred to the Staff Assistants for revision in the light of the discussion. Awaiting initial draft by ad hoc group of Staff Assistants.

POSITION OF THE UNITED STATES WITH RESPECT TO SCANDINAVIA  
(Progress Report, dated November 14, 1950, on NSC 28/1 and NSC 32/1; NSC 88; Memo for Senior NSC Staff from Executive Secretary, subject "U. S. Courses of Action in the Event the Soviets Attempt to Close the Baltic", dated March 26, 1951; Record of Senior Staff Meeting on April 3, par. 3; Memo for Senior NSC Staff from Executive Secretary, same subject, dated August 2, 1951)

On December 13 the Senior NSC Staff directed the Staff Assistants to prepare a draft revision of NSC 28/1 for consideration by the Senior Staff.

CURRENT NSC STAFF PROJECTS (Cont'd)

POSITION OF THE UNITED STATES WITH RESPECT TO SCANDINAVIA  
(Cont'd)

On October 17, 1950, NSC 88, "U. S. Courses of Action in the Event the Soviets Attempt to Close the Baltic," was circulated for Council information and referred to the NSC Staff for preparation of a report for Council consideration. In view of recommendations made by the Staff Assistants in the reference memo of March 26, the Senior Staff agreed on April 3 that a statement of policy and a staff study on the subject of NSC 88 should be incorporated in the draft report on "The Position of the United States With Respect to Scandinavia," and that completion of this project should be expedited.

At its meeting on August 7 the Senior Staff with Mr. W. A. Walton Butterworth, United States Ambassador to Sweden, participating, discussed an initial draft report prepared by State and circulated by the reference memo of August 2. The Senior Staff referred the draft report to the Staff Assistants for revision in the light of the Senior Staff discussion and agreed that this revision should be a complete report which, if adopted, could supersede previous reports on the subject and should apply to Finland and the Baltic as well as to Denmark, Norway and Sweden.

Awaiting initial revised draft report by State.

UTILIZATION OF MANPOWER OF OTHER NATIONS FOR MILITARY PURPOSES

(NSC 108 and memo for all holders of NSC 108, dated April 24, 1951; Memo for NSC from Executive Secretary, same subject, dated May 8, 1951; NSC Action No. 472)

At the suggestion of the Senior State Member, the Senior NSC Staff on December 12 agreed to designate an ad hoc group under the chairmanship of a JCS official and with officials from State, NSRB, Mr. Harriman's Office, and CIA, to prepare a draft report on the subject.

The report by the ad hoc committee was considered and amended by the NSC Staff for submission to the NSC as NSC 108. JCS views circulated by the reference memo. At its 91st Meeting the NSC referred NSC 108 to the NSC Staff for reconsideration. On May 17 the Senior Staff referred NSC 108 to the Staff Assistants for revision in the light of the discussion.

CURRENT NSC STAFF PROJECTS (Cont'd)

UTILIZATION OF MANPOWER OF OTHER NATIONS FOR MILITARY PURPOSES (Cont'd)

On June 13 the Staff Assistants agreed that an initial draft on the subject of civilian manpower should be completed with a view to the subsequent preparation of a report combining the civilian and military aspects of the subject for Senior Staff consideration. Awaiting the initial draft of the report on civilian manpower. (See project in Section 3-A.)

CURRENT NSC STAFF PROJECTS (Cont'd)

C. OTHER CURRENT NSC STAFF PROJECTS

NSC DETERMINATIONS UNDER SECTION 1302, PUBLIC LAW 45 (THIRD SUPPLEMENTAL APPROPRIATION ACT, 1951)

(Memos for Special Committee from Assistant Executive Secretary, same subject, dated August 1, 1951; Memo for Special Committee from Deputy Executive Secretary, same subject, dated August 14, 1951)

Draft report on trade between the Soviet Bloc and Indonesia circulated by the reference memo of August 1 was considered by the Special Committee on East-West Trade at its meetings on August 7 and 16 and referred to its drafting group for revision in the light of the discussion. Awaiting report of the drafting group. (See also related projects in Section 2-B and 2-C.)

Draft report on trade between the Soviet Bloc and Egypt transmitted by the reference memo of August 14 was revised and approved by the Special Committee at its meeting on August 16 subject to the understanding that it would not be transmitted to the Council for action until the accompanying trade analysis has been circulated. Awaiting circulation of the trade analysis. (See also related projects in Section 2-B and 2-C.)

AMENDMENT TO NSC DETERMINATION NO. 1

(Memo for Special Committee from Deputy Executive Secretary, subject, "NSC Determinations Under Section 1302, Public Law 45 (Third Supplemental Appropriation Act, 1951)" dated August 6, 1951)

Draft report on the deletion of the Ryukyu Islands from Appendix 2 to NSC Determination No. 1 prepared by the State member of the Special Committee on East-West Trade was circulated by reference memo. At its meeting on August 16, 1951, the Special Committee agreed to defer action on this report and to include the substance of it in a report on Japan if such a report proves necessary. Awaiting further consideration by the Special Committee.

DECREASING RELIANCE ON TRADE WITH THE SOVIET BLOC

(Memo for Special Committee from Assistant Executive Secretary, subject: "Problems Associated with the Extension of Security Control in Trade with the Soviet Bloc", dated July 3, 1951; Memo for State Member from Assistant Executive Secretary, same subject, dated July 13, 1951; NSC 104/2, paragraphs 21, 22 and 23)

CURRENT NSC STAFF PROJECTS (Cont'd)

DECREASING RELIANCE ON TRADE WITH THE SOVIET BLOC (Cont'd)

Preliminary ECA study on the subject, transmitted by the reference memo of July 3, was discussed by the Special Committee on East-West Trade on July 11, when it was agreed that a special interdepartmental group should be created, under State leadership, to prepare appropriate reports, in accordance with NSC 104/2, on (1) proposals with respect to current individual problems such as Polish coal and UK coarse grain imports; and (2) proposals with respect to the over-all problem of reducing the reliance of the free world upon Soviet trade.

Preliminary draft report, "Coal in East-West Trade," prepared by the ECA member of the special interdepartmental group was distributed at the meeting of the Special Committee on August 16. Awaiting reports from State. (See also related projects above and below.)

EXPORT CONTROL POLICY FOLLOWING THE TERMINATION OF SECTION 1302 OF THE THIRD SUPPLEMENTAL APPROPRIATION ACT, 1951

(Memo for Special Committee from Assistant Executive Secretary, same subject, dated July 9, 1951)

Draft report on the subject, prepared by the State member and transmitted by the reference memo, was considered by the Special Committee on July 11 and referred to the drafting group for revision. Awaiting revision by drafting group. (See related projects above.)

PROVISION FOR STATE INTERNAL SECURITY FORCES

(NSC 96/1 and NSC 96; NSC Action No. 409; Memo for members of Staff group from Executive Secretary, subject: "Provision for State Guard Forces", dated May 7, 1951)

At the request of the Secretary of Defense, NSC 96 was submitted for Council consideration. At its 77th Meeting, by the reference action, the Council agreed to request the Chairman, NSRB, to develop, in consultation with other interested agencies, a plan for the provision of essential Federal guidance and assistance to the States in organizing reserves to perform State and local security functions when the National Guard is ordered into active military service, this plan to include any necessary Federal legislation.

CURRENT NSC STAFF PROJECTS (Cont'd)

PROVISION FOR STATE INTERNAL SECURITY FORCES (Cont'd)

Report by the Chairman, NSRB, circulated for Council information as NSC 96/1 and referred to the NSC Staff for use in the preparation of a report for Council consideration. On April 12, the Senior Staff discussed NSC 96/1 and referred it to the Defense, JCS and NSRB Staff members together with officials from the Department of Justice, the Bureau of the Budget, and the Federal Civil Defense Administration, for use in the preparation of a report for Senior Staff consideration.

Draft outline, prepared by the Executive Secretary, transmitted to the above staff group by the reference memo, and discussed at a meeting on May 14. With some modifications, the outline was adopted as a working guide and the proposed assignments were accepted. A new draft report is now being prepared on the basis of material submitted by Defense, Justice and Civil Defense, in accordance with the agreed outline.

RELEASE OF INFORMATION REGARDING NEW WEAPONS

(Memo for NSC Consultants and AEC Representative, from Executive Secretary, same subject, dated July 5, 1950)

At the direction of the President, the Council and the Chairman of the Atomic Energy Commission undertook a consideration of the general problem of weapons information, including atomic weapons, in order to make appropriate recommendations to the President on the subject. A draft report, prepared by the Executive Secretary in accordance with the discussion at a meeting on June 22, 1950, has been circulated to the NSC Staff and a representative of the AEC by the reference memo. Awaiting redraft of this report by Defense.

4. OTHER CURRENT COUNCIL PROJECTS

GOVERNMENT EMPLOYEE SECURITY PROGRAM  
(NSC 113)

A letter by the President on the subject was transmitted as NSC 113 for the information of the Council, and is being referred to the ICIS for preparation of a response for Council consideration, as directed by the President in the fourth paragraph thereof. As further directed by the President, the Chairman, Civil Service Commission, is being requested to participate with the Council, the Secretary of the Treasury, the Attorney General and the Director of Defense Mobilization in this project. Awaiting report by the ICIS.

ELIGIBILITY OF FOREIGN REPRESENTATIVES TO RECEIVE CLASSIFIED INFORMATION

(Memo for NSC from Executive Secretary, same subject, dated June 14, 1951; NSC Action No. 507)

Memorandum by the Chairman, Interdepartmental Committee on Internal Security (ICIS) and attached draft Presidential directive together with a report and proposed regulations on the subject, were transmitted by the reference memo for consideration by the Council, the Secretary of the Treasury, the Attorney General, the Director of Defense Mobilization and the Chairman, Atomic Energy Commission. Approved by ODM, June 19; by Justice, June 21; by State, June 28; by Treasury, June 29; by NSRB, July 2; by AEC, July 9.

The Acting Secretary of Defense on July 2 recommended that the Council defer action on this memorandum until the Standing Group of the NATO has had an opportunity to examine the proposed regulations. On July 11 the NSC agreed that further consideration should be deferred, pending the outcome of the NATO negotiations, as recommended by the Acting Secretary of Defense. Awaiting further action by the Secretary of Defense.



**TOP SECRET**

25X1

Approved For Release 2003/09/29 : CIA-RDP80R01731R003700030008-5

Approved For Release 2003/09/29 : CIA-RDP80R01731R003700030008-5